

# DIGITAL

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*Special Supplement*

August 1988

## KEN IN SPR ON 21 AUGUST

**K**en Olsen, Digital's founder and President, will visit Australia and New Zealand for one week from 21 to 28 August. At the top of his list of stated priorities is to meet SPR staff.

During his first-ever visit to Digital's subsidiary in this corner of the world, Ken will meet key customers, Senators and Government Ministers in Brisbane, Melbourne, Canberra, Sydney and Auckland. At each stop, substantial time has been allocated to meet and talk with staff.

Frank Wroe, SPR Subsidiary Manager, said, "He thinks as much about employees as he does about finance. This is much evidenced by the fact that, among the many reasons for his visit to SPR, his primary aim is to meet staff. He's made that clear."

Ken's first port of call will be Queensland's Gold Coast, where he will deliver the keynote address to approximately 1000 of Digital's users at the 1988 DECUS Symposium.

Later he will meet Digital's employees in Brisbane (BBO), after which he will visit Expo 88 as a guest of the Queensland Government.

From there Ken will fly to Melbourne, where he will meet with one of our key customers – and with SD staff.

On the same day it's off to Canberra to meet with our largest customer: the Federal Government. In the nation's capital, Ken will meet with senior Defence staff, the American Ambassador, senior Parliament officials and, of course, CAO staff.

After touring New Parliament House and the National Gallery, Ken will fly to Sydney to enjoy an evening at another of Australia's most famous landmarks – the Sydney Opera House.

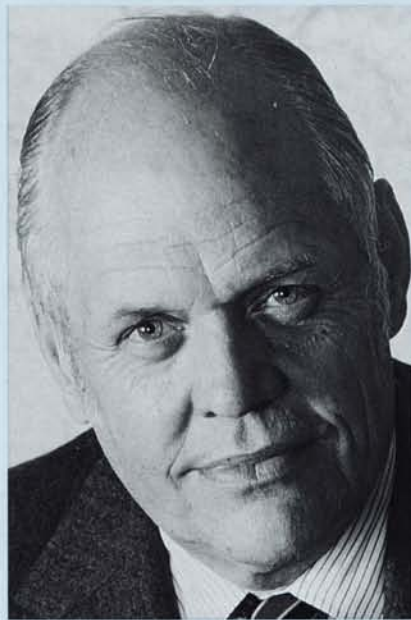
While in Sydney, Ken will officially open our new Field Service Customer Support Centre in St Leonards (STL), and will visit the future site of our new SPR headquarters at Rhodes.

After a morning press conference in Sydney, he will once again meet SPR employees, this time for an entire afternoon – half with the SPRMC and half with other staff.

Then it's over to New Zealand, another press conference and meeting the New Zealand staff in Auckland.

A man who values peaceful leisure time as much as he does his work, Ken will have a chance to unwind and enjoy a relaxed weekend in New Zealand's lakes district before the long flight back to the daily grind at the Mill.●

## ONE COMPANY – WORLDWIDE



**KEN OLSEN, PRESIDENT**

Excerpts from Ken Olsen's 'State of the Company' message, Mgmt Memo, July, 1988.

When we started Digital, we picked areas in which we could be different and unique. They were simple ideas.

We had the unique idea that we wanted to make a profit. We said growth wasn't a goal. We wanted to do a good job and let growth come automatically. That's still our goal.

Rather than just be one of hundreds of companies making personal computers, or one of dozens of companies making workstations and changing their architecture each time a new chip comes along, I'd rather be different and take all the arrows that come our way.

Today, the strategy for which we are being so roundly criticised is something we have planned very carefully and developed very well. There are a number of details which we have to improve. There are always ways we can do things better. But with regard to our strategy, I couldn't think of a better position to be in today than the one we're in now.

A corporation is a collection of people, and the leaders can only do a very limited

amount of the creativity and the work. The work has to be done by the people at all levels and at all jobs. And they have to have the freedom, the knowledge, the motivation, the acceptance to do creative things.

The job of management is not to do the inventing. Our job is to make sure there are goals, to make sure everybody knows where we are going and is in a position to be creative.

A few years ago we developed the strategy that says – one protocol, one architecture, one software system, one networking system. I had little or nothing to do with that except complain a little bit. But it was clearly my job to say that if this is the strategy, we're going to follow it. That is the part of the manager – not to do the inventing, but to make sure there is a goal.

*"The idea of 120,000 people working together was inconceivable. We've done a miraculous job."*

*– Ken Olsen*

We are academic in that good sense of being very critical of our ideas and always driving for the truth. It's quite common that people fall in love with their own ideas and defend them like they were the only ideas they ever had. But we want to optimise and improve, change, modify, but always drive for the truth. As long as we do that, we have a good future.

When we said four or five years ago "We are one company with one strategy and one message," we were changing . . . putting all our resources together. We pulled it off better than I ever could have dreamed.

The idea of 120,000 people working together was inconceivable. We've done a miraculous job. We succeeded because of the quality of the people we have. We should all be very proud of it.

We had a simple message, and it worked well.●



## VIRTUES AND 'A VISION OF COMPUTING'

Since founding Digital Equipment Corporation in 1957, Ken Olsen has for the most part driven the company where he wanted it to go. Few electronics companies have become so identified with a single individual as has Digital with Ken.

### The American Dream

Part of the mystique and the appeal of Ken is that he is a personification of what his countrymen view as the 'American Dream'. Like Australians and New Zealanders, the Americans refer to their country as 'The Land of Opportunity'; a land of free enterprise, where a small town boy from an average family background can still become a millionaire or even be President.

But while others dreamed, Ken had a vision – one that he was determined to realise – though not even he dreamed of the heights of success to which that vision would eventually elevate him.

*"A hundred thousand people can't help but have more knowledge than one or a small number of people at the top."*

– Ken Olsen

Back in 1957, a computer was a room-sized behemoth that cost millions of dollars and needed an almost sterile, air-conditioned chamber. Ken, along with his brother, Stan, and Harlan Anderson, set out to make a smaller, cheaper and easier to use computer for the mass market.

"We had a vision of computing we knew the world needed," said Ken. His company, Digital Equipment Corporation, soon gave



**AN AMERICAN BOYHOOD:** Ken Olsen grew up in this house in working-class Stratford, Connecticut. He worked summers at a machine-tool company, gave his parents no trouble, and became known as a neighbourhood Edison by fixing radios in the basement. After graduation he joined the Navy.

*"It's easy to compete with people who think they know it all."*

– Ken Olsen

birth to a revolution by developing the first mass-produced minicomputer.

Starting with a relatively small amount of borrowed capital and the three principals as employees, Ken has since captained Digital through its mushrooming growth into a global enterprise that plays a crucial role in the world's business economy.

But just as important as the results on the balance sheet is the manner in which Ken has achieved success. For he has built Digital not on shrewdness, conniving and luck – but rather upon the solid principles that are a part of his nature – determination, an unyielding commitment to customer satisfaction and plain hard work.



**AT MIT,** the prestigious Institute of Technology, Ken tore through the undergraduate curriculum in three years and earned Bachelor of Science and Master of Science degrees in Electrical Engineering.

### Management Style

One clue to Ken's success is his attitude toward work: It's a way of life, not a chore.

Ken often probes areas of the company that catch his interest. Always the engineer, when he finds mundane engineering tasks left undone he may take them on himself to set an example.

At work, Ken is a democrat who eats in the company cafeteria, encourages executives to voice their differences, and seeks advice about product flaws from factory workers.

He rarely issues direct orders. In Ken's view a well-engineered organisation should be like the computers our company builds: it should virtually run itself.

"We have better trained, better educated people," he said, "and they want to take part. They want to be creative. A hundred thousand people can't help but have more knowledge than one or a small number of people at the top."



**IN 1961,** staff at Bolt Beranek & Newman of Cambridge, Massachusetts, listened intently as the President of the then-fledgling Digital Equipment Corporation explained the workings of a new interactive computer, the PDP-1.

### Balance and Balance Sheets

When Ken speaks to visitors about what is important to him, it is clear that values, not microchips, are foremost in his mind. He speaks of science as a search for truth, and life as a pilgrimage, and humility, not pride, as the key to business success. "It's easy to compete with people who think they know it all," he said.

The other part of the American Dream is staying in touch – even at the pinnacle of one's success – with the values that Americans see as the virtues of their country: industry, religion, honesty and fair play. In this area also Ken earns high marks.

Ken Olsen is a Very Important Person for a number of reasons – not the least of which is that, to many people, he is living proof that the American Dream is still possible for their children. ●



**THE MANAGER WHO RUNS THE MILL:** Ken is one of the few chiefs to understand the technical aspects of the company's products. Much scrutiny, and few escape unchallenged.



## SIMPLE PLEASURES

For all his wealth, Ken is very much the common man. Unlike his high-flying counterparts, he prefers quiet New England values – no smoking, drinking or lavish possessions. He dislikes travel and spends much of his spare time with his wife.

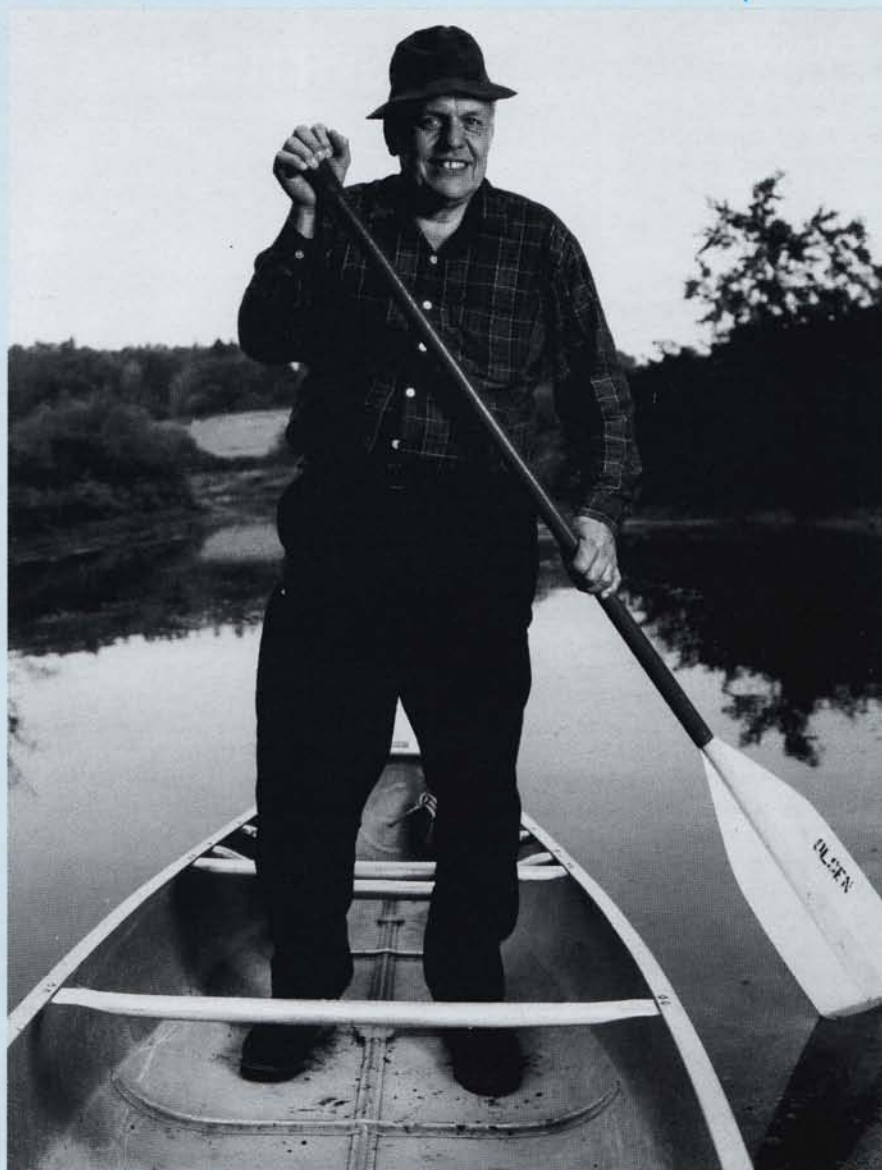
The couple lives in a modest home which they bought shortly after Digital was founded, not far from his office at the Mill. There they have raised three children, now grown, none of whom work for Digital. The couple tend their own garden, do their own dishes, paint their own walls.

Ken takes pleasure in knowing the names of wildflowers that grow along the stream next to the Mill. He flies a small plane and once a year takes a rugged two-week canoe trip near Hudson Bay in Canada with friends.

A director of Ford Motor Company, Ken drives an Escort station wagon to work and dislikes being seen in his wife's Mercedes.

The Olsens seem remarkably nonchalant about their wealth. Calling home from the Mill last October 19, Ken recalls, he told his wife that the stockmarket crash had reduced their net worth by \$109 million. "Don't worry," she said. "We have one row of potatoes left, and we haven't touched the parsnips yet."

A devoutly religious man, Ken is philosophical about money. He once called Wall Street's short-term view 'immoral', and said that a falling stock price isn't 'trouble'. Real 'trouble,' he said, 'is when your kids take dope.' ●



*NOT YOUR RUN-OF-THE-MILL MANAGER, Ken values peace and solitude. His idea of a vacation is quietly paddling a canoe across a Canadian lake. During his visit to SPR, Ken will spend a relaxed weekend in the New Zealand lakes district.*

## ASK KEN

If you could ask one question of Ken Olsen, what would it be?

If you have a question that you would like asked of Ken during his visit to SPR, then here is your chance.

Simply print your question legibly in the space provided below, tear out this card and send by internal mail to *Digitalk*, SNO 6/1. *Digitalk* will interview Ken during his visit, ask him a selection of the questions received from employees, and publish the replies in the next issue.

Don't delay. Closing date/time for questions is 12:00 noon on Monday, 22 August.

Ken, \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_



*Most major product proposals still have to pass his*



## 'QUOTE'

Ken Olsen's eloquence rests in his honest and often disarmingly straightforward manner that flowery language could never match. The following are a few quotes gleaned from press reports and internal memoranda of the past couple of years.

On work: "People want to work. If you let them, they'll work very hard."

On hiring and firing: "If the faith we have in the future is there at all, we'd be foolish to have a layoff. We don't want to lose all those talented people. If we made any mistakes that caused our problem, we shouldn't take it out on people. They have great loyalty to us because we have loyalty to them."

"We never claimed to never let people go. Sometimes you just have to. We at times encourage people to go gently one at a time, sometimes because they should go and sometimes otherwise."

On success: "This is a business where you never stop. Take a breath and somebody's ahead of you."

On press criticism: "If you believe what you read when people beat you up, you can get into serious trouble."

On a successor: "Oh, that's a foolish question. Picking a successor is a kiss of death. The only preparation you can give a potential successor is to keep him working and see if he survives."

On retirement: "Sometime, hopefully a long time from now, when I have to tell people that I'm leaving they will say to me, 'Ken, why don't you stay another year, it has been so much fun, so challenging working for you.' My ambition is to leave when they are still saying that and I can be remembered as someone who challenged them, who influenced them to be creative and enjoy work and have fun for a long time." ●

## SPR ITINERARY

The following is an extract of the proposed itinerary for Ken's visit to SPR. Please note that it is subject to change without notice.

- SUN 21 Arrive Brisbane
- MON 22 DECUS keynote address  
Meet Queensland/Brisbane Office staff  
Expo 88 Queensland Pavilion  
Arrive Melbourne
- TUE 23 Meet Southern District staff  
Arrive Canberra  
Meet Canberra (Federal District) staff
- WED 24 Tour of New Parliament House  
Tour city sights, National Gallery  
Arrive Sydney  
Sydney Opera House
- THU 25 Officially open new FS Customer Support Centre - STL  
Meet the press at St Leonards facility  
Visit site of new SPR headquarters at Rhodes  
Time with SPRMC  
Meet staff from Head Office, Field Service, CSS, Manufacturing, Finance/Admin,  
Education & Sales at the Sydney Overseas Terminal
- FRI 26 Arrive Auckland  
Meet the press - Sheraton Hotel  
Meet NZ staff - Sheraton Hotel
- SAT 27, Free time
- SUN 28
- MON 29 Depart Auckland for USA

## DIGITALK SNO 6/1

If you would like your name to appear in *DigitalK* along with your question, please complete the following (optional):

NAME \_\_\_\_\_

POSITION \_\_\_\_\_ MAILSTOP \_\_\_\_\_

**RUSH!**

Closing date  
22 August



KEN OLSEN WILL OFFICIALLY open Digital's new Field Service Customer Support Centre (STL).

**digital**

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